

NOTICE

TO: Arkansas Appraiser Licensing Applicants

Be advised that the Arkansas Appraiser Licensing and Certification Board, pursuant to the State's Administrative Procedures Act has revised, amended, and updated a number of its rules and regulations affecting the qualifying requirements for licensing of appraisers. One of the major revisions the Board has made to its existing rules, which became effective January 16, 2000, is a qualifying educational requirement relating to the taking of the Uniform Standards of Professional Appraisal Practice fifteen hour course.

All applicants for State License, Certified Residential, and Certified General Licensure should take notice of the provisions set forth in the Rules and Regulations Section III- (b)(1), IV(b)(1), and V(b)(1), that states in part "which shall include coverage of a Uniform Standards of Professional Appraisal Practice course of not less than fifteen hours within the previous two years prior to the initial sitting for the exam".

Appraisers in training and all applicants for upgrade should strongly consider this fact when developing and pursuing their personal appraisal education plan. Any questions concerning the revised rule and its application should be directed to the Arkansas Appraiser Licensing Board located at 2725 Cantrell Road, Suite 202, Little Rock, AR 72202 or by phone (501) 296-1843.

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NOTE: The following documents may or may not be included with the foregoing general information depending on the inquirers' intended use. These documents are for use by a candidate when actually applying to take the appraiser examination and may be provided separately from the above information.

Exam Content - Testing Agency Insert
Application Form, Education and Experience Affidavits
Completing the Application
Work Experience Log and Instructions

I. INTRODUCTION

THE PURPOSE OF THE EXAMINATION

The passage of the Real Estate Appraisal Reform Amendments in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 made each state responsible for implementing licensure and/or certification programs for real estate appraisers. The licensure or certification examination you will take was developed to meet the evaluation requirement set out in the federal law and to provide a basis for assessing your knowledge of the specific skills required for appraisal licensure or certification.

WHO MUST TAKE THE EXAMINATION?

Any person wishing to practice as a licensed or certified appraiser in the state of Arkansas and perform appraisals relative to federally-related transactions must successfully pass the (1) state License, (2) residential certification or (3) the general certification examination and, within twelve (12) months of the test date, apply for licensure or certification.

Appraiser Classifications

A state licensed appraiser may perform appraisals of non-complex one (1) to four(4) unit residential properties having a transaction value of less than \$1,000,000 or such other transaction value levels as shall be set by the Federal Financial Institutions Regulatory Agencies and of complex one(1) to four(4) unit residential properties having a transaction value of less than \$250,000 or such other transaction value levels as shall be set by the Federal Financial Institutions Regulatory Agencies. In addition, a state licensed appraiser may perform appraisals in federally-related transactions of all other properties of a non-complex character with transaction values up to levels set by the Federal Financial Institutions Regulatory Agencies subject to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice.

A state certified residential appraiser may perform appraisals in federally-related transactions of all properties that a state licensed appraiser may appraise and also all one(1) to four(4) unit residential properties without regard to transaction value or complexity. All appraisals and/or appraisal services performed by state certified residential appraisers shall be subject to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice.

A state certified general appraiser shall have no transaction value limits or complexity restrictions on his/her appraisal practice in federally-related transactions, subject only to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice.

No language in any regulation shall authorize an unqualified appraiser to appraise property that the Federal Financial Institutions Regulatory Agencies deem the appraiser unqualified to appraise or that the appraiser should not appraise without compliance with the competency provisions of the Uniform Standards of Professional Appraisal Practice.

These restrictions shall not preclude any person who is not state licensed or certified from participating in the performance of appraisals or providing of appraisal services in federally-related transactions provided that the participation is under the supervision of a state licensed appraiser, a state certified residential appraiser, or a state certified general appraiser. The intent of this provision is to allow persons to participate in the performance of appraisals or providing of appraisal services under the supervision of

properly licensed or certified appraisers as employees, apprentices, trainees, sub-contractors, co-signers, research assistants, or other capacities related to the production of appraisal reports or the delivery of appraisal services without being licensed or certified. All appraisals performed or appraisal services rendered in federally-related transactions must be performed or rendered by a person or persons holding the appropriate license or certificate and all written reports shall bear the signature(s) and seal(s) of all properly licensed or certified person(s) who participated significantly in the performance of the appraisal or delivery of appraisal services. All licensed or certified appraiser signing an appraisal report or other document representing the delivery of appraisal services shall assume full joint and several responsibility and liability for the compliance of the appraisal performed or the appraisal service rendered with respect to compliance with the Uniform Standards of Professional Appraisal Practice.

Information about the eligibility requirements for each appraiser classification is contained in the *Education Eligibility Requirements* and *Work Experience Eligibility Requirements* sections of this booklet. Review these eligibility requirements carefully. You may NOT take an examination if you cannot properly document your eligibility for it.

THE PASSING SCORE

To pass your examination, you must answer 75% or more of the questions correctly.

II. APPLYING FOR YOUR EXAMINATION

All applicants must have a high school diploma or General Education Development (GED) certificate.

Applicants for licensure must complete and submit the licensure/certification examination application, the Arkansas appraiser educational requirements affidavit including the summary of classroom education, the licensed affidavit of experience, the licensure/certification employment history, and the work experience log.

Applicants for residential certification must complete and submit the licensure/certification examination application, the Arkansas appraiser education requirements affidavit including the summary of classroom education, the certified residential affidavit of experience, the licensure/certification employment history, and the work experience log.

Applicants for general certification must complete and submit the licensure/certification examination application, the Arkansas appraiser educational requirements affidavit including the summary of classroom education, the certified general affidavit of experience, the licensure/certification employment history, and the work experience log.

The affidavits must be notarized.

All application materials must be complete and in one envelope when received by the Arkansas Appraiser Licensing & Certification Board. Incomplete or illegible applications and applications with fees not paid as directed will delay processing of applications.

EFFECTIVE JANUARY 1, 1999, ALL APPLICANTS FOR LICENSING WILL BE REQUIRED TO PARTICIPATE IN A PERSONAL COMPETENCY ASSESSMENT INTERVIEW, REGARDING WORK EXPERIENCE, PRIOR TO TAKING THE EXAMINATION.

TIPS FOR APPLYING

- * Apply as early as possible. You must meet the application deadline for the test date for which you are applying whether you are applying for the first time or re-applying to take your examination.
- * Read all directions carefully.
- * Have your affidavits notarized.
- * Fill out your examination application completely. Only fully completed applications will be processed.
- * Double check to make sure you have submitted all required fees in the correct amounts and by the correct means. Your application fee must be payable to the Arkansas Appraiser Licensing and Certification Board. All other fees will be payable to the testing company.
- * SUBMIT ALL APPLICATION MATERIALS AT ONE TIME AND IN ONE PACKET. Do not submit an incomplete packet.

EDUCATION ELIGIBILITY REQUIREMENTS

Licensed Real Estate Appraiser

To be eligible to become a state licensed appraiser, you must have completed 90 classroom hours (classroom hours shall be 50 minutes out of each 60 minute segment) approved by the Arkansas Appraiser Licensing and Certification Board. The 90 hours must include 15 hours covering the Uniform Standards of Professional Appraisal Practice. The courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses on the summary of classroom experience must be completed before you submit your application. You may be required to demonstrate that your education involved coverage of all topics listed below and with particular emphasis on the appraisal of one (1) to four (4) residential properties.

Certified Residential Real Estate Appraiser

To be eligible to become a certified residential real estate appraiser, you must have completed 120 classroom hours (classroom hours shall be 50 minutes out of each 60 minute segment) approved by the Arkansas Appraiser Licensing and Certification Board. The 120 hours must include 15 hours covering the Uniform Standards of Professional Appraisal Practice. The courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses listed on the summary of classroom experience must be completed before you submit your application. You may be required to demonstrate that your education involved coverage of all topics listed below and with particular emphasis on the appraisal of one(1) to four(4) residential properties.

Certified General Real Estate Appraiser

To be eligible to become a certified general real estate appraiser, you must have completed 180 classroom hours (classroom hours shall be 50 minutes out of each 60 minute segment) approved by the Arkansas Appraiser Licensing and Certification Board. The 180 hours must include 15 hours covering the Uniform Standards of Professional Appraisal Practice. The courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses listed on the summary of classroom experience must be completed before you submit your application.

Applicants for either of the above classifications may be required to demonstrate that their qualifying education for licensing or certification involved coverage of all of the following topics.

1. Influences on Real Estate Value
2. Legal Considerations in Appraisal
3. Types of Value
4. Economic Principles
5. Real Estate Markets and Analysis
6. Valuation Process
7. Property Description
8. Highest and Best Use Analysis
9. Appraisal Statistical Concepts
10. Sales Comparison Approach
11. Site Value
12. Cost Approach
13. Income Approach
 - Gross Rent Multiplier Analysis
 - Estimation of Income and Expenses
 - Operating Expense Ratios
 - Capitalization (For Certified General Only)
14. Valuation of Partial Interest
15. Uniform Standards of Professional Appraisal Practice (USPAP)

Length of Education Courses and Final Examinations

Credit for education courses will be granted only for courses which were at least fifteen (15) hours in length, and which required the successful completion of a final exam. The total number of classroom hours includes the time devoted to examinations which are considered to be part of the courses.

Credit for College Courses

College courses equivalent to the following course titles may be credited for the classroom hours equivalent to the percentage by which the topic is covered on the examination for a specific license or certification. See Appendix A for a detailed breakout of minimum qualifying hours per Educational Topic.

Economics

- Basic Principles of Real Estate (Agents course)
- Business Statistics/or Statistical Analysis
- Fundamentals of Real Estate Investment and Taxation
- Fundamentals of Creating a Real Estate Investment
- Case Studies in Commercial and Investments Real Estate
- Real Estate Law
- Real Estate Finance
- Farm Management
- Agricultural Economics/Marketing

In those instances where one or more of the above courses have been prior approved by the Board, the hours credited will be those granted at the time of approval.

Other college, private provider, and/or association courses may be given partial or full credit upon request if they are pre-approved by the Arkansas Appraiser Licensing and Certification Board with specified credit hours.

Applicants seeking to utilize any of the foregoing courses for qualifying education may be required to provide documentation that course content did, in fact, encompass one or all of the fifteen points listed in Appendix A for which they are claiming credit.

ALL QUALIFYING EDUCATION COURSE OFFERINGS MUST BE PRE-APPROVED BY THE ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD IN ORDER TO BE ACCEPTABLE.

Credit for Teaching Approved Courses

An individual who teaches an approved course may claim the course one time only toward fulfillment of the education requirement.

WORK EXPERIENCE ELIGIBILITY REQUIREMENTS

*****EFFECTIVE AS OF JANUARY 1, 1999, ALL APPLICANTS FOR LICENSING ARE REQUIRED TO PARTICIPATE IN A PERSONAL COMPETENCY ASSESSMENT INTERVIEW, REGARDING WORK EXPERIENCE, PRIOR TO TAKING THE EXAMINATION!**

LICENSED REAL ESTATE APPRAISER

To be eligible to become a licensed real estate appraiser, you must have completed a minimum of 2,000 hours of appraisal work acquired over any period of time.

CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

To be eligible to become a certified residential real estate appraiser, you must have completed a minimum of 2,500 hours of appraisal work experience obtained during no fewer than 24 months.

CERTIFIED GENERAL REAL ESTATE APPRAISER

To be eligible to become a certified general appraiser, you must have completed a minimum of 3,000 hours of appraisal work experience obtained during no fewer than 30 months; and of those, at least 1,500 hours must have been in non-residential real property appraisal work.

Acceptable Work Experience

Acceptable work experience for licensing or certification includes, but is not limited to, the following:

- a. Fee and staff appraisals;
- b. Ad valorem tax appraisals;
- c. Review appraisals;
- d. Appraisal analysis;
- e. Real estate counseling;
- f. Highest and best use analysis;
- g. Feasibility analysis/study;
- h. Condemnation Appraising.

Proof of Education and Experience

You must be able to document the education and experience you claim along with your application to the Arkansas Appraiser Licensing and Certification Board.

For the education you claim, (unless pre-approved courses), you must be able to supply, upon the Board's request:

1. A summary of the content of each course;
2. The total number of in-class hours in each course;
3. The number of in-class hours you attended each course; and
4. Certification that you completed all assignments and made a passing score on the final examination for each course.

For the experience you claim, you must be able to produce, upon the Board's request at any time within the next five (5) years, appraisal reports (if release of such report(s) is (are) approved by your client(s)), file memoranda, or other documentation satisfactory to the Board to support your claim.

REVIEW AND ACKNOWLEDGMENT OF APPLICATION PACKETS

Application packets will be thoroughly reviewed by the Arkansas Appraiser Licensing and Certification Board, its agents and employees, to ensure your eligibility to take the examination for which you are applying. It is your responsibility to make sure that your application packet is complete. If your application packet indicates that you are ineligible to take the examination for which you applied, does not contain the necessary forms for determining eligibility, does not contain the proper fee payment, or is illegible, your application packet will be returned to you with an explanation of the deficiency. Because of this requirement, if you wait until the last minute to apply, you may jeopardize your opportunity to test on your chosen date. You must resubmit your corrected packet by the appropriate application deadline.

EXAMINATION LOCATIONS AND ADMISSION TICKETS

Examinations will be given in Little Rock only on those dates pre-selected by the Arkansas Appraiser Licensing and Certification Board. If the review of your application packet shows that you are eligible to take the examination and have paid your fees, an admission ticket will be mailed to you approximately two weeks before your assigned test date. This ticket will confirm the name of the examination for which you registered, and your assigned five-digit identification number. The ticket will also state the time you are to be present. **ANY LATE ARRIVALS WILL NOT BE ALLOWED TO ENTER AND TEST!**

When you report to your testing center, you will be required to present your admission ticket to gain admittance for testing.

If you lose your admission ticket or have not received it by the Wednesday before your test date, telephone the Arkansas Appraiser Licensing Board at (501) 296-1843 to receive instructions.

FEES

Application Fee

With your application materials, you must submit separate payment of the application fee of \$125.00. Upon successful completion of the appropriate examination, this application fee will be applied toward the appropriate licensure or certification fee. This fee may be paid by money order, business check, or personal check and must be made payable to the Arkansas Appraiser Licensing and Certification Board.

Do not submit a single payment for this fee and the examination fee. Make the examination fee payable directly to the testing agent. If you submit a single payment, your application will not be accepted.

If you fail your examination or do not appear to take it, you will not have to pay this fee for your second attempt to pass your examination (you will have to pay all applicable examination and optional testing service fees again). **After two attempts to pass your examination, you will have to resubmit this application fee when you apply for a third attempt at your examination.**

Examination Fee and Optional Testing Service Fees

Examination Fee (Required, Not to exceed)	\$100.00
Express Score Reporting Fee (Optional)	\$ TBA
Handscoring Fee (Optional)	\$ TBA

These fees must be paid by money order, certified check, or cashier's check payable directly to the specified testing agency. If you pay your fees by money order or cashier's check, your name must appear on your money order or cashier's check. Personal and business checks will not be accepted. If you submit payment of these fees by personal or business check, your application will not be processed until correct payment is obtained. Do not send cash.

Do not combine payment of these fees with your payment of the application fee. If you submit a single payment, your application will not be processed.

The examination fee and any chosen optional fees must be paid each time you apply for examination.

REFUNDS

NO refunds will be made of any fees submitted and accepted by the testing agent or the Arkansas Appraiser Licensing and Certification Board. If you are ineligible to sit for the examination, the entire packet will be returned to you unprocessed.

III. TAKING THE EXAMINATION

SPECIAL TESTING ARRANGEMENTS

Accommodations for Physically Challenged Candidates

Some individuals with disabling conditions may need special accommodations, such as extra time or assistance with writing or reading.

If you need special arrangements because of a disabling condition, include in your application materials: a current letter from a licensed physician, optometrist, social worker, or psychologist (including title, address, and phone number on his or her letterhead) describing the nature of the disability as it applies to taking a standardized, multiple-choice examination and the specific accommodations needed for testing.

There is no additional fee for accommodations for the physically challenged. All requests for special accommodations must meet the postmark application deadline.

IV. AFTER THE EXAMINATION

FAILURE TO APPEAR FOR YOUR EXAMINATION

If you miss your examination for ANY reason and have not rescheduled at least 15 business days prior to your test date, the testing agency will mail you a letter within two weeks of the examination date giving you directions for re-applying for the examination. That letter will be your application to re-apply for the examination. You will be required to pay the full examination fee again to retest. See the section *Retaking Your Examination* for details.

RETAKING YOUR EXAMINATION

To re-apply for a second attempt to pass your examination because you failed your examination or did not appear to take it, you must use your failing score report or no-show letter. Check any pre-printed information, such as your name, mailing address, social security number, and phone number(s) and make any necessary changes on the score report or letter. Indicate on your score report or letter which date you would like to re-take your examination. Check off all appropriate examination and testing fees and include a money order, certified check, or cashier's check for the entire amount due, made payable to the testing agency. If you pay your fees by money order or cashier's check, your name must appear on it. You will NOT have to resubmit the application fee to the Arkansas Appraiser Licensing and Certification Board for your second attempt to pass your examination.

Send the score report or letter and your fee payment to the Arkansas Appraiser Licensing and Certification Board. Keep a photocopy of your completed score report/letter for your records. You will be sent a new admission ticket for your new test date.

For your third attempt to pass your examination, follow the procedures explained above, AND re-submit the \$125.00 application fee payable to the Arkansas Appraiser Licensing and Certification Board in addition to all appropriate examination fees.

APPLYING FOR LICENSURE OR CERTIFICATION

If you pass your examination, your score report will be your application for licensure/certification. Follow all the directions on the score report, fill it out completely, and send it and the appropriate fees to the Arkansas Appraiser Licensing and Certification Board at the address given on your score report. It is vital that you check your name, address, and other personal information and make any necessary changes.

To apply for licensure or certification within twelve (12) months of your test date, remit \$75.00 with your application for licensure or certification. You may pay this fee by money order, personal check, or business check payable to the Arkansas Appraiser Licensing and Certification Board.

If you do not apply for licensure/certification within twelve (12) months of your test date, you will have to repeat the complete application and examination processes, including resubmission of all fees.

APPENDIX "A"

ESTIMATED HOURS OF QUALIFYING EDUCATION FOR PRE-LICENSURE OR PRE- CERTIFICATION

The following distribution of pre-qualifying hours credit is based upon the proportionate distribution of minimum hours required for coverage of the various topics. The determination of hours is primarily based upon the weighted percentage of examination content.

Courses covering Education Topics	Minimum hours required for Licensure	Minimum hours required for Certified Residential	Minimum hours required for Certified General Certification
1. Influences on Real Estate Value	2.4	2.9	6.4
2. Legal Considerations in Appraisal	5.4	7.6	13.7
3. Types of Value	3.6	4.6	4.8
4. Economic Principles	6.7	9.3	7.5
5. Real Estate markets & Analysis	4.0	7.0	11.0
6. Valuation process	4.2	5.9	5.4
7. Property Description	2.7	3.5	5.4
8. Highest and Best Use Analysis	6.0	7.0	11.0
9. Appraisal Math and Statistics	1.9	2.3	7.4
10. Sales Comparison Approach	19.1	26.8	20.1
11. Site Value	4.6	5.9	7.4
12. Cost Approach	6.0	10.5	19.1
13. Income Approach	6.7	9.4	40.4
14. Valuation of Partial Interests	1.7	2.3	5.4
15. USPAP (<i>Hours Required</i>)	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
TOTAL QUALIFYING HOURS	90.0	120.0	180.0